

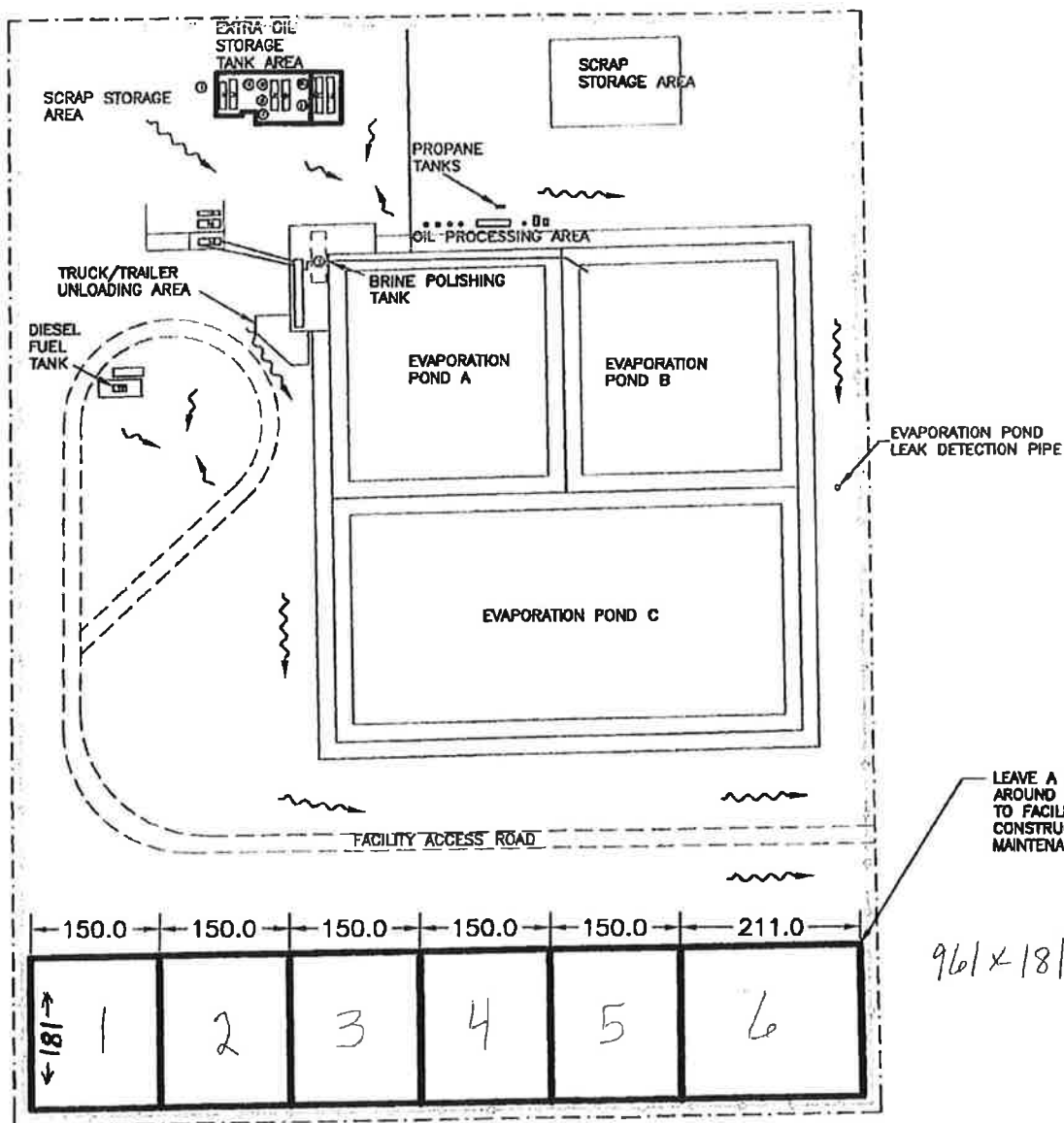
**Montezuma Well Services, Inc.  
Recapture Brine Disposal  
Sec. 14, T40S, R22E  
San Juan County, Utah**

**FILED**

JUL 28 2010

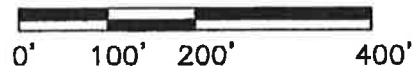
SECRETARY, BOARD OF  
OIL, GAS & MINING

| Date                  | Facility History & Actions Taken   |
|-----------------------|--|
| 03/01/85              | SITLA - SULA 656 issued to Hay Hot Oil Inc. ("HHOI"); 20 yr term.  |
| 3/11/85-<br>2/10/86   | Health Dept. - Approval to construct & operate Pits A, B, & C.   |
| 11/02/87              | Permit transferred to the Division of Oil, Gas, and Mining ("DOGM").   |
| 09/01/92              | HHOI - Sold facility to Montezuma Well Services, Inc. ("MWS"); SULA 656 transferred.   |
| 10/01/98              | DOGM - New bonding requirements for disposal facilities; \$14,000 per acre of pit, plus \$1.00 per barrel of produced water for one-quarter of the total storage capacity of the facility; plus \$30.00 per cubic yard of solid or semi-solid stockpiled waste. \$10,000 minimum bond. |
| 10/26/99              | DOGM - Corrective action required; need to cleanup oily pits.  |
| 09/08/00              | Montezuma - Lightning hit tank, blew out tank bottom & tank in Pit A "oil spill & fire".   |
| 02/26/01              | DOGM - Approved Land Farm/4 Acres; pending SITLA approval.   |
| 07/05/01              | SITLA - Approved Land Farm/4 Acres; add'l bonding (\$77,000) required in addition to \$10,000 original bond; SULA 656 term extended to 3/1/10.   |
| 05/26/03              | SITLA - Waiting on add'l bonding (\$77,000); LF on hold.   |
| 3/2004 -<br>9/2004    | SITLA/Montezuma - Bonding negotiations; SITLA waived bonding requirement initially imposed, requested immediate cleanup of Pit A.  |
| 10/06/04              | Montezuma - Purchased a "centrifuge/oil recovery system" to assist with cleanup of Pit A; oil recovered between 8/2005 - 8/2009 (3,086 bbls). Equipment problems/breakdowns.   |
| 06/08/05              | DOGM/SITLA - Approved Revised Cleanup Plan.  |
| 6/2005 -<br>4/2008    | DOGM - Pit A cleanup progressing very slowly; permit temporarily suspended 2/2008 (no more water from outside sources allowed/reported).   |
| 05/07/08              | DOGM/SITLA - Division Order & SITLA (SULA 656) concurrence mailed to Montezuma/EM.   |
| 06/15/09              | AG - Mailed letter to Montezuma/EM; MWS responded 7/9/09.  |
| 07/14/09              | AG - Mailed letter & Request For Agency Action (Docket No. 2009-015, Cause No. WD-04-2009) to Montezuma/EM.  |
| 08/10/09              | DOGM - Received full bonding for Pit B; \$46,019.00.   |
| 08/24/09              | Board - Order to Continue Hearing (WD-04-2009).  |
| 09/09/09              | DOGM - Approval to construct/re-line Pit B granted.  |
| 9/30/09 -<br>10/17/09 | SMA/Robert Metzler, P.E. - Submitted eng. certification & construction pics for Pit B; approval granted to put water in pit (from cleanup ops) to hold down liner. Final approval to operate shall be granted upon completion of pit/facility "secondary containment".                 |
| 11/17/09              | Montezuma/EM - Report; estimated that once free standing water was removed from Pit A, its' contents could be emptied in approx. 2 quarters (end of June 2010).  |
| 12/08/09              | Board - Order to Continue Hearing to 7/28/10 (WD-04-2009).   |
| 03/01/10              | Montezuma/EG - Requested permission to use Pit B commercially to generate funds to help with cleanup of Pit A; request denied (GH) - Division wants to see significant progress towards cleanup of Pit A before request would be considered.   |
| 03/08/10              | DOGM - Approval to construct facility "secondary containment" granted.   |
| 07/13/10              | DOGM/Montezuma - Facility inspection/LC & EG (EM unable to attend); cleanup of Pit A progressing very slowly (see pics). *1st Qtr 2010 (189 cy), 2nd Qtr 2010 (300 cy).  |
| 07/27/10              | DOGM/AG/Montezuma meeting (3:30) -   |



#### LEGEND

- - - PROPERTY BOUNDARY
- - - FENCE
- ○ ABOVEGROUND STORAGE TANK (AST)
- - - CONTAINMENT BERM
- ~ ~ ~ SURFACE WATER DRAINAGE
- - - ABOVEGROUND PIPING
- EARTH BERM



SCALE: 1" = 200'

**iiná bá**

612 E. MURRAY DR. PH. (505) 327-1072  
FARMINGTON, NM 87401 FAX (505) 327-1496

APPROVED:

DRAWN BY: KDS

REVISIONS BY: TLONG

PROJECT # 5915171

DATE:

DATE: 8/1/01

DATE: 4/7/05

FIGURE: 1

**SITE PLAN**  
**LANDFARM REMEDIATION AREA**  
**MONTEZUMA WELL SERVICE**  
**MONTEZUMA CREEK, UTAH**